

CFDF Corporation

Minutes of Meeting

Tuesday, May 2, 2006 at 6:00 pm

I. Call to Order: Meeting was called to order at 6:10 pm.

II. Roll Call: Present were Casey Andrade, Augie O'Connor and Gene Racquier. Absent were Maurice Brousseau and Al Romanowicz. Also present were Tim Tapley, Chris Orton and Tony Ventetuolo.

III. Secretary's Report: On a motion by Augie O'Connor seconded by Gene Racquier the Board voted 3-0 to accept the minutes of the March 27, 2006 Board meeting.

IV. Treasurer's Report: On a motion by Augie O'Connor seconded by Gene Racquier the Board voted 3-0 to accept the financial report for the period ending March 31, 2006.

V. Executive Session: On a motion by Augie O'Connor seconded by Gene Racquier the Board voted 3-0 to go into Executive Session at 6:15 pm to discuss facility security issues under RIGL 42-46-5(a)3 and legal issues. The Board came out of Executive Session at 6:15 pm. The Board voted 3-0 to close the minutes of the executive session.

VI. Old Business:

a. Project Banking: The IXIS Funding report for the period of 03/01/06 through 03/31/06 was presented to the Board.

b. Bank of America Account: \$160,141.95 is the Bank of America account balance. Copies of all monthly transactions for this account, including wire transfers and checks, were provided to the Board.

c. US Bank Escrow Shortage: Mr. Ventetuolo discussed his discussion with Senior Vice President Arthur McDonald of US Bank relative to his correspondence, which was included in the package to the Board, wherein, he requested that US Bank provide in writing how they will resolve the escrow shortage. Mr. Ventetuolo also requested that the escrow account be credited with the shortage amount. Mr. McDonald reported to Mr. Ventetuolo that senior members of US Bank were currently meeting with US Treasury Department officials in Washington to try to resolve the situation.

d. Expansion Project Status:

1. Levien-Rich observation report #9 was presented to the Board. Mr. Ventetuolo pointed out some of the pictures in the report which showed some of the inside work and the HVAC work done on the project.

2. A letter from Old Castle addressing some of the workmanship on the pre-cast cells was presented to the Board. Mr. Ventetuolo also indicated that he wanted some additional follow-up with the paint issue as the letter from Old Castle was not adequate.

3. Mr. Ventetuolo discussed with the Board the options to resolve the gas service issue. He indicated that the President of the gas company had received letters from the Central Falls Fire Chief, the Mayor and the Warden relative to trying to have two services into the facility; however, the gas service was adamant about only having one service. As an interim resolution, gas service will be able to go outside or on top of the roof to the Blackstone Street side. This will result in change order of approximately \$60,000.00. AVCORR has asked the contractor to provide several alternatives for resolving this issue along with cost estimates.

4. The meeting minutes of the Owner's meeting #21 were presented to the Board. Mr. Ventetuolo also discussed the status of the schedule. Currently, approximately 44% of the project is complete and it is anticipated that by the end of May, 50-55% of the project will be completed. Work is progressing at a steady pace and workers are now working 6 days per week and some nights to keep the schedule moving.

5. Mr. Ventetuolo discussed the status of arsenic ridden soils and the removal of same. He indicated that the Department of Environmental Management (DEM) along with the Rhode Island Resource Recovery Corp (RIRRC) was very helpful in resolving this issue in a manner which would result in a substantial savings for the CFDF Corporation.

Mr. Ventetuolo discussed the meeting that he had along with the Mayor and others at RIRRC and that the RIRRC had voted to accept up to 10,000 tons of the material at a price of \$15.00 per ton. This price is substantially lower than the lowest prices that the Board had

to ship this out of state. Those prices were \$88.00/ton plus hauling and handling costs. It is estimated that the RIRRC situation will result in about a \$250,000.00 to \$300,000.00 change order which, again, is substantially lower than over the \$1,000,000.00 that it may have cost to eliminate this soil.

6. Mr. Ventetuolo discussed that Chris Orton is still trying to get a positive response from Amtrak regarding the security observation area to be proposed in the back of the facility. A copy of a drawing for that area was also provided to the Board.

7. The overall responsibility letter from DEM relative to the arsenic issue was presented to the Board. Along with it was the formal response from Louis Berger Group on how this material will be handled. All outstanding issues with DEM have been addressed.

e. OD/T Negotiations: Mr. Ventetuolo discussed the status of the per diem requests with the Office of Detention Trustee as well as the request for information and Public Asset Management's (PAM) role in developing the per diem request. Discussions with Dutko and PAM have taken place to try to develop a per diem scenario that will be presented to the Federal agencies.

f. USMS Request: Mr. Ventetuolo provided copies of the email and request for information from Carla Flanagan relative to transportation services and bed availability.

VII. New Business:

a. FY2005 Audit: The FY2005 audit presentation by Bachelor,

Frechette, McCrory & Michael Co. was postponed due to the fact that the Principal Auditor, Tammy Novo, was out sick. Mr. Ventetuolo advised that Board that over the next several weeks a draft audit report as well as a management letter will be sent out to the Board. The Board will have it in time to review it prior to the May meeting. At that time the Corporation can vote on the acceptance of the 2005 audit. Also, an engagement letter was provided to the Board with modifications to the auditor's contract. This will be required to make some changes as a result of liabilities that were currently on the books as a result of the prior auditor's failure to remove them.

b. City Revenue Forecast: Mr. Ventetuolo provided the Board with an email to the City Finance Director where revenue for the current fiscal year was forecast from the Wyatt Detention Facility.

c. CFDF Lobbying: An email indicating that Senate Bill 2396 was submitted to the committee on the last day for filing. This is still active, however, the Board's lobbyist, Thomas Hanley, is watching over the progress of the Bill.

d. Bond Buyer: Top Rhode Island ratings of bonds for the year were presented. The CFDF bond was ranked #5 in this rating.

e. Vending Revenues: A copy of the first quarter vending commissions was presented to the Board.

VIII. Other:

On a motion by Casey Andrade seconded by Maurice Brousseau the Board voted 3-0 to approve payments of requisitions

IX. Adjournment: On a motion by Chris Orton, on behalf of Maurice Brousseau, seconded by Gene Racquier the Board voted 3-0 to adjourn at 7:20 pm.